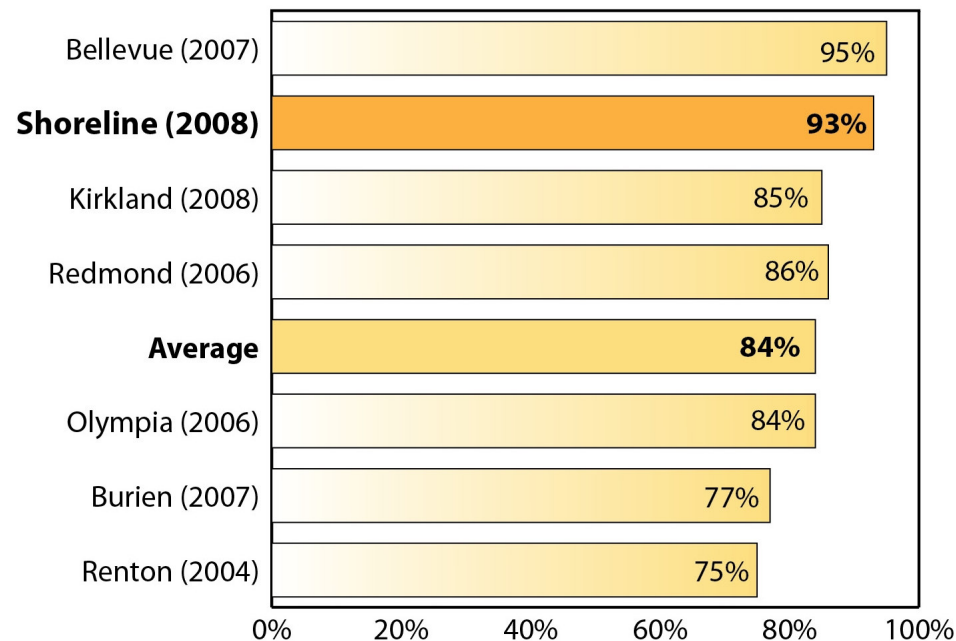# Investing in Our Future:
Facing Our Financial Challenges

1

Keeping Shoreline's Quality of Life

Percent of Residents Rating City as Excellent or Good Place to Live

City	Percent
Bellevue (2007)	95%
Shoreline (2008)	**93%**
Kirkland (2008)	85%
Redmond (2006)	86%
Average	**84%**
Olympia (2006)	84%
Burien (2007)	77%
Renton (2004)	75%

Since 1995 – Westminster Triangle

Before

After

Since 1995 – Fremont Trail

Before

After

Since 1995 – Aurora at N 152nd

Before

After

"We are constantly seeing our tax dollars at work with park purchases and road improvements. Shoreline seems to make progressive choices."

Kim Nowakowski

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In 2008 the Shoreline Pool served over 100,000 participants through lessons, swim teams, open swims, or classes

2010 Net Cost - $470,000

City Streets & Transportation Services

In 2009 the City will sweep 2,965 lane miles of streets

2010 Budget $2.3 Million

The City pays for 1,342 street lights a year

2010 budget = $285,000

Shoreline Police:

Patrol, Investigation, Store Fronts, Emergency Response, School Resource Officer, Community Education, Traffic Enforcement
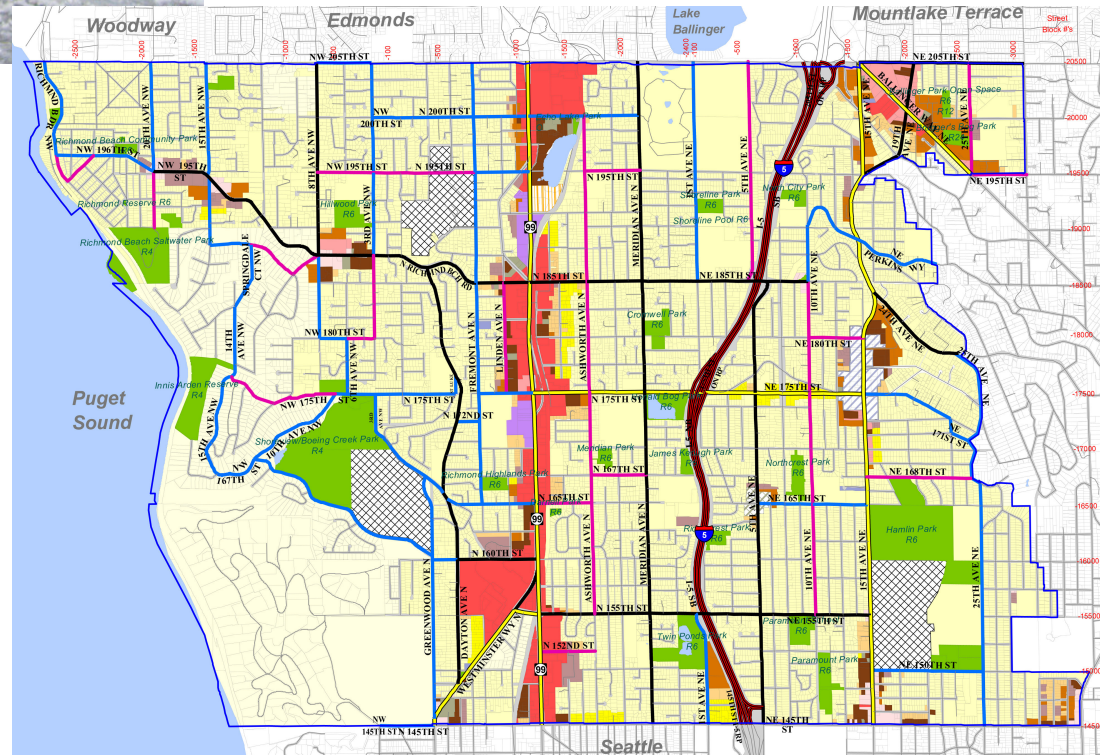
2010 Budget = $9.8 Million

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Community Services

Neighborhoods, Customer Response Team, Emergency Planning, Human Services

2010 Budget = $1.4 Million

Planning & Development

Zoning, Code Enforcement, Building Inspection, Land Use, Permit Services
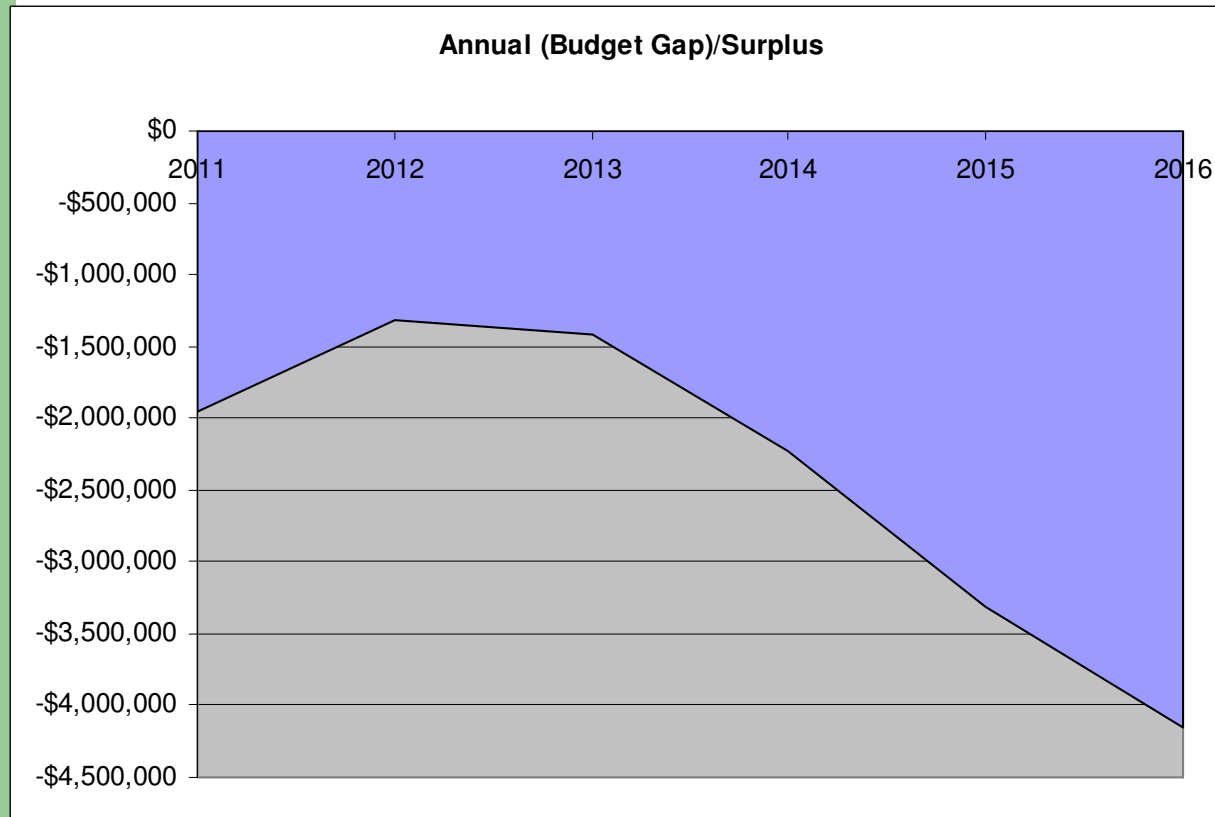
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Looking Forward

- Financial Challenges
  - Projected Budget Gaps
- What Have We Been Doing
  - Efficiencies, Budget Cuts, Revenue Sources
- How We Got Here
  - Initiatives
  - Costs Increase

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Projected Annual Budget Gaps

Annual (Budget Gap)/Surplus

Year	$$ Gap
2011	-1,951,232
2012	-1,317,214
2013	-1,424,157
2014	-2,231,919
2015	-3,314,308
2016	-4,148,143

*2011 Includes $1.2 million repayment to Revenue Stabilization Fund

Operating Revenue & Expenditures Per Capita
(Adjusted for Inflation)

Year	Per Capita Revenue Adjusted for Inflation	Per Capita Expenditures Adjusted for Inflation
2000	$462	$512
2001	$469	$498
2002	$481	$473
2003	$459	$451
2004	$473	$441
2005	$479	$437
2006	$458	$454
2007	$463	$438
2008	$457	$442
2009	$448	$452
2010	$440	$452

Per Capita Operating Revenue & Expenditures

— Per Capita Revenue Adjusted for Inflation
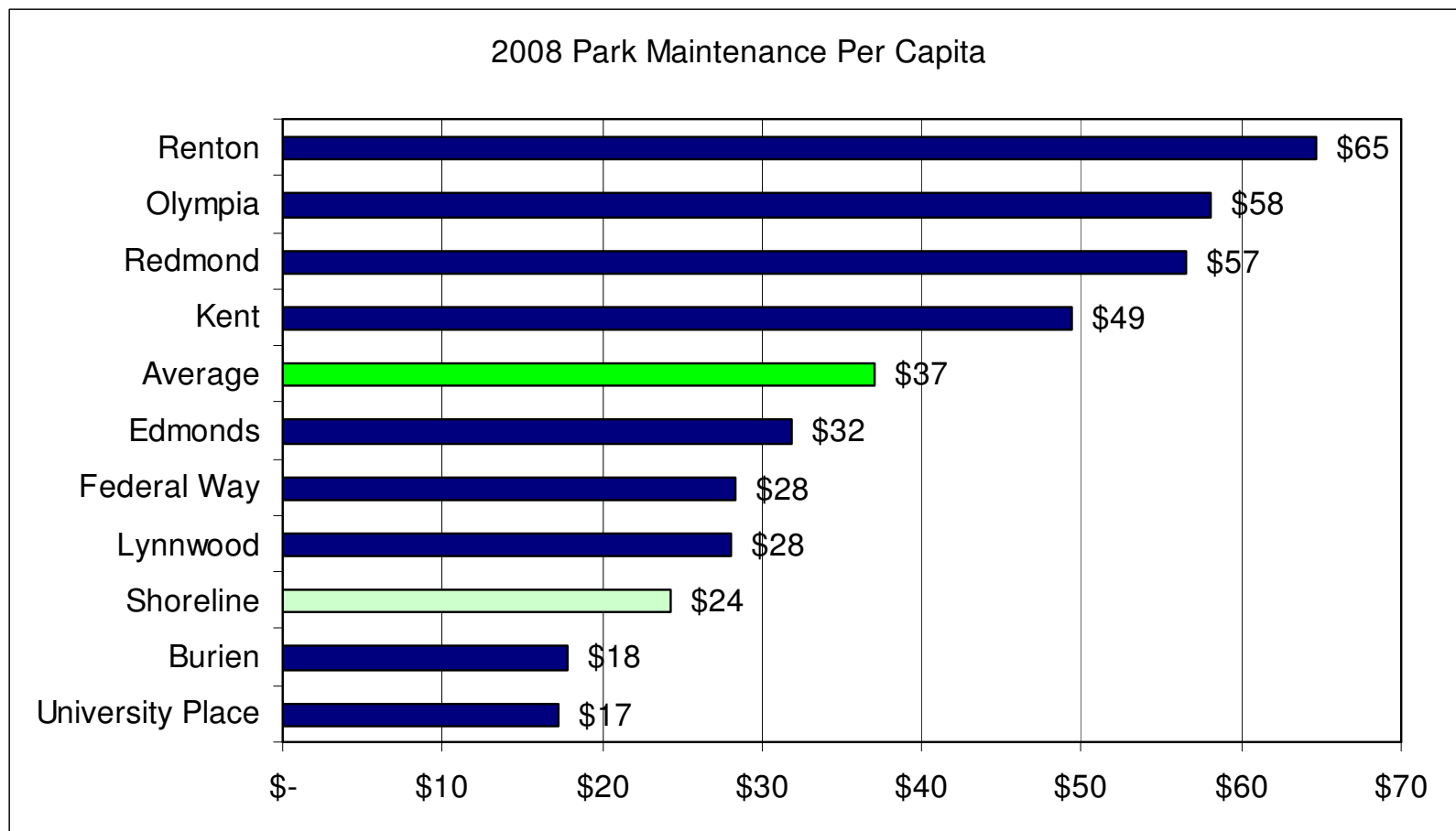— Per Capita Expenditures Adjusted for Inflation

Assumes Base Year is 2000

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What is the City Doing?
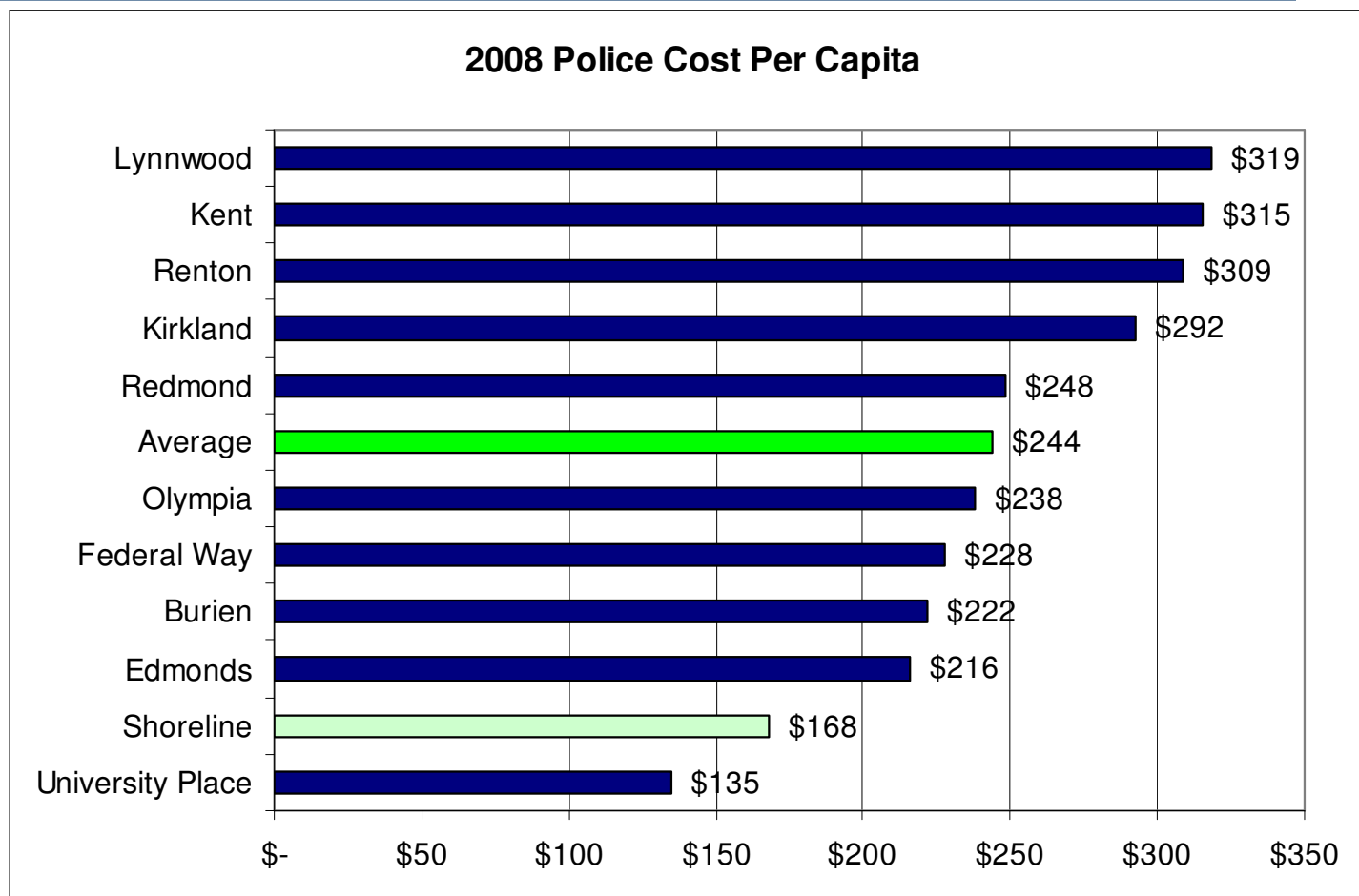## Key City Efficiencies and Budget Reductions

- **2003 – Modified Employee Health Benefit Policy**
  - $1 million in savings
- **Joint City Agreement for Jail Alternatives**
  - Difference for 2008 = $293,000
- **Taken Some Services In-House**
  - Street Sweeping in 2007 (Better Service/Lower Cost) = $58,000 annually
- **Service Delivery Changes**
  - Canine Unit = $100,000 annual savings
  - Telephone System = $100,000 annual savings
- **Continue to Contract for Services that Make Sense**
  - Police, Street Maintenance, Park Landscaping, etc.
- **Since 2005 - $1 million base budget reductions**
- **2010 – Reduced staffing by 3 positions**

Comparative Park Maintenance Costs

2008 Park Maintenance Per Capita

City	Cost
Renton	$65
Olympia	$58
Redmond	$57
Kent	$49
Average	$37
Edmonds	$32
Federal Way	$28
Lynnwood	$28
Shoreline	$24
Burien	$18
University Place	$17

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Comparative Police Costs

2008 Police Cost Per Capita

City	Cost
Lynnwood	$319
Kent	$315
Renton	$309
Kirkland	$292
Redmond	$248
Average	$244
Olympia	$238
Federal Way	$228
Burien	$222
Edmonds	$216
Shoreline	$168
University Place	$135

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How Did We Get Here?
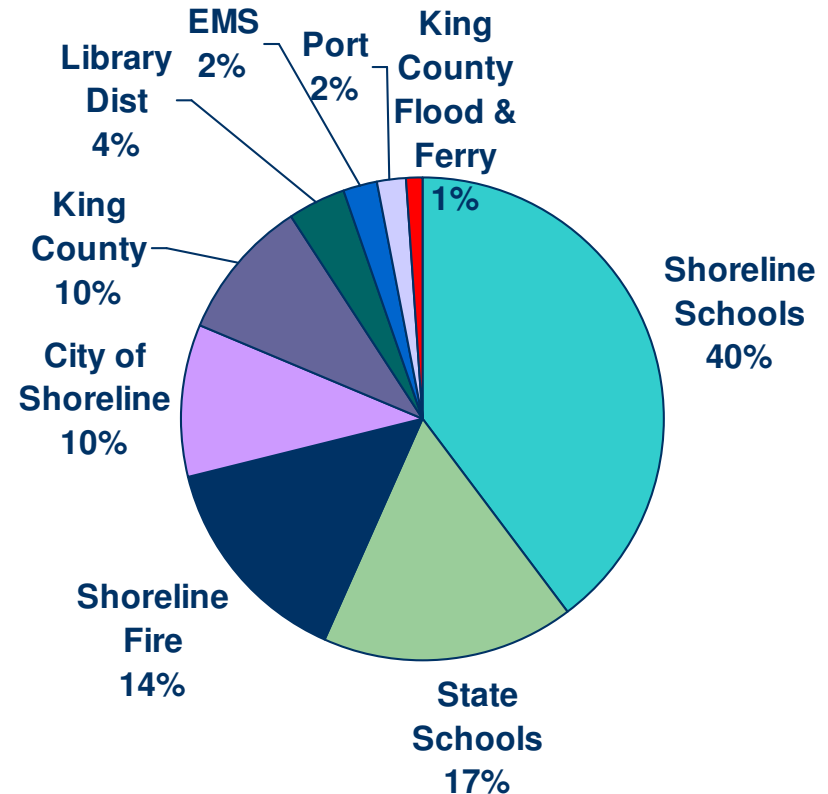
City Property Tax Growth Rate 2000-2010
Excluding New Construction

Property Tax Levy

- Who Levies Property Taxes for Shoreline Property Owners?
    - City of Shoreline
    - Shoreline School District
    - King County
    - Port of Seattle
    - Shoreline Fire District
    - King County Library District
    - Emergency Medical Services District
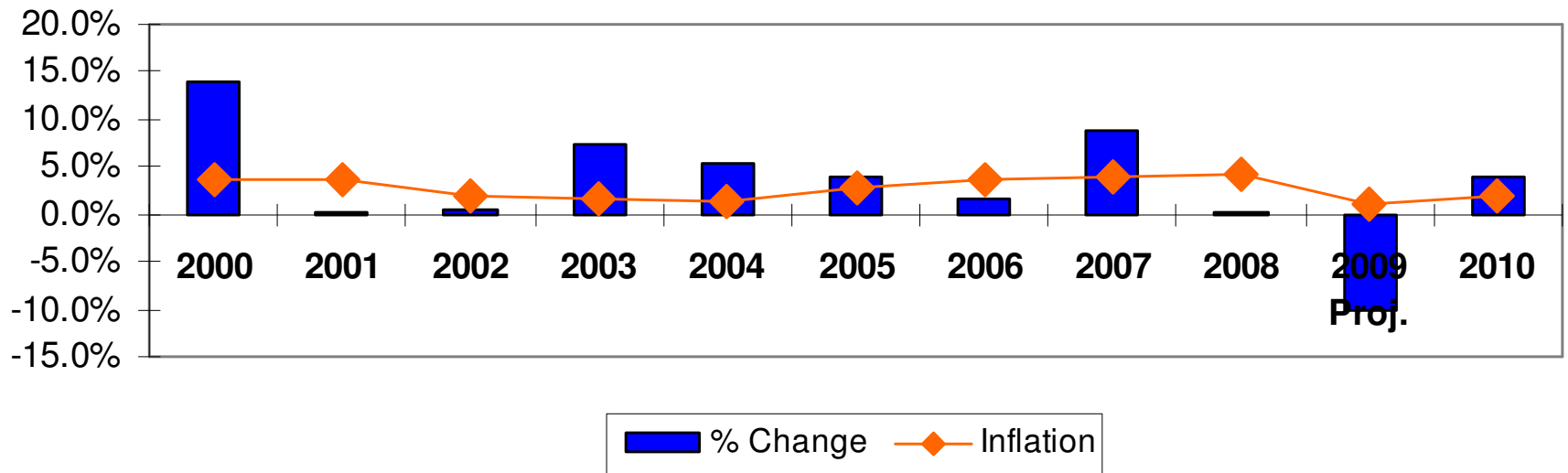- Voted and Non-Voted Levies
    - Example: 2006 Parks Bond Levy

Pie chart labels:
- EMS 2%
- Library Dist 4%
- Port 2%
- King County Flood & Ferry 1%
- King County 10%
- City of Shoreline 10%
- Shoreline Schools 40%
- Shoreline Fire 14%
- State Schools 17%

How Did We Get Here – Sales Tax
Over the Last Decade Sales Tax Growth = 22%
Inflation = 27%

Sales Tax Growth Compared to Inflation
2000 - 2010

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 Proj.	2010

■ % Change   ◆ Inflation

Shop Shoreline – It Helps

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Cost Increases

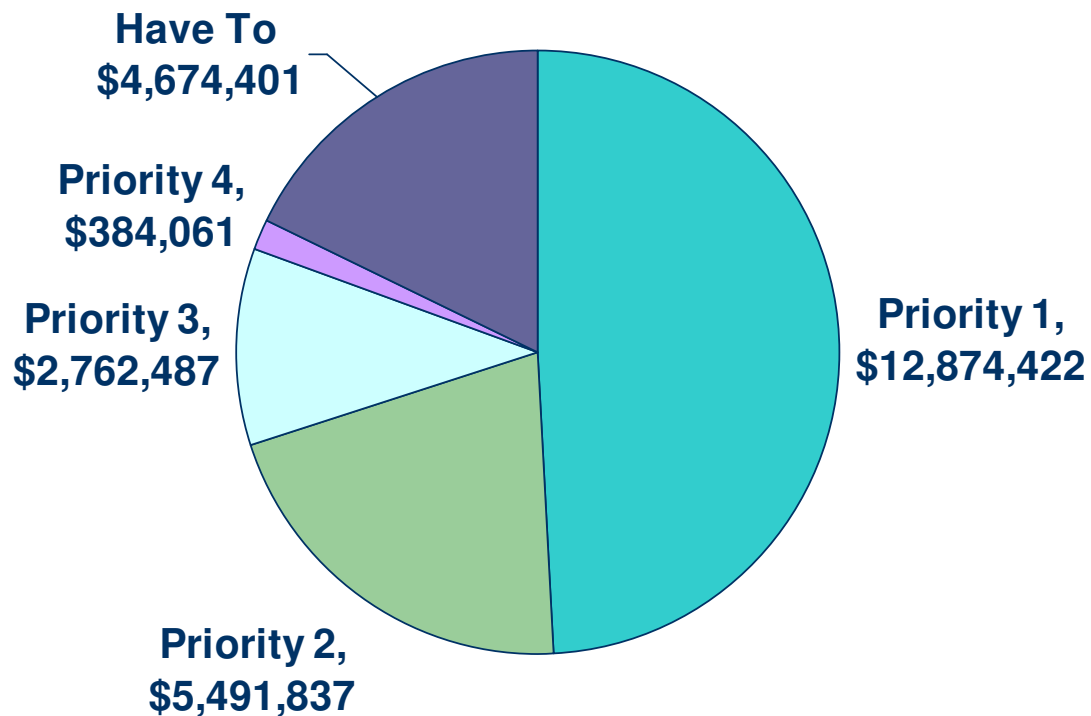| What?	Change Since 2000
Inflation	27% Increase
Health Benefit Cost per Employee	47% Increase
Cost per Therm of Natural Gas	49% Increase
Cost of Gallon of Gasoline	65% Increase
Cost per Ton of Hot Mix Asphalt	112% Increase
Increase in City Property Tax Levy (Excluding New Construction)	9.4% Increase

Community Prioritization Exercise
(Net Cost = Cost Less Dedicated Revenue)

#1 = $12.9 M	#2 = $5.5 M	#3 = $2.8 M	#4 = $0.4 M	Have To = $4.7 M
Police – Patrol, Investigation, Traffic Enforcement	24 Hr - Customer Response Team	School Resource Officer	Celebrate Shoreline	Jail & Court Services
Economic Development	Emergency Management	Police Storefronts	Museum	Liability Insurance
Street Operations & Maintenance	Park & Facility Maintenance	Current Planning	Arts	City-wide Equipment & Supplies
Human Services	Recreation Programs	Community Information	Intergovt. Participation	City Hall Mortgage
Land Use	Traffic Services	Neighborhood Programs		
Building Permits	Long Term Planning	Pool		

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Community Prioritization Exercise
(Net Cost = Cost Less Dedicated Revenue)

Have To
$4,674,401

Priority 4,
$384,061

Priority 3,
$2,762,487

Priority 1,
$12,874,422

Priority 2,
$5,491,837

Year	$$ Gap
2011	-1,951,232
2012	-1,317,214
2013	-1,424,157
2014	-2,231,919
2015	-3,314,308
2016	-4,148,143

Where Do We Go From Here?

Recommendations by Citizen Committee to the City Council - May 2009

1. Sustain Commitment to Efficiencies
   - **Efficiencies if Asking for More**
2. Keep Services that Preserve the Quality of Life in Shoreline
3. Revenue Strategies:
   - Adopt $20 vehicle license fee to help fund pavement preservation program
   - In 2010 or later ask voters to reaffirm their investment in Shoreline
     - Property Tax Levy Increase
4. If Service Reduction Necessary, Preserve the Quality of Core Services, i.e. – Required Police Services
5. Expand Communication and Outreach

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Potential Property Tax Levy Lid Lift

- Vote in 2010 – not effective until 2011
- 2010 Average Homeowner pays $392 property tax for City services
- Projected Levy Rate in 2011 = $1.10 per $1,000 AV
- Legal Limit for City = $1.60
- To Address Long-Term Gaps – 20 to 30 Cent Increase
- Average Impact over 6 Year Period

	20 Cent Increase	30 Cent Increase
Projected Levy Rate	$1.30	$1.40
Annual Impact to Average Homeowner	$90.00	$129.00
Monthly Impact to Average Homeowner	$7.50	$10.75

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Potential Timeline

- November 2009 - May 2010
  - Meet with stakeholders
- March 2010
  - Council Retreat
- March 2010
  - Polling – more information on property tax levy lid lift
- May 2010
  - Council decides whether to put levy on ballot
- May – August 2010
  - Citizen Committee takes charge
- August 17, 2010
  - Primary Election

What Can You Do?

- Communicate with your membership
- Let us know if you have questions
  - Julie Underwood, Assistant City Manager: 801-2212
  - Debbie Tarry, Finance Director: 801-2301
- If Inclined:
  - Volunteer to help with future Citizen Campaign
  - Talk to your friends and neighbors